

Memorandum



Date: October 2, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members Board of County Commissioners

From: George M. Burgess
County Manager

Agenda Item No. 8(K)(1)(A)

Subject: Resolution Approving Qualified Target Industry Tax Refund
for Confidential Project #07-00235

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the attached resolution that recommends Confidential Project #07-00235 be approved as a Qualified Target Industry (QTI) business. The attached documents relating to the support for a QTI tax refund, under the State of Florida QTI tax refund program pursuant to Florida Statutes Section 288.106, have been prepared by the Office of Community and Economic Development in conjunction with the Beacon Council.

Scope

The business operations of this project will create 150 new high-quality jobs that will primarily impact Commission District 5, but also will have a positive countywide impact through indirect employment and multiplier effect.

Fiscal Impact / Funding Source

General fund revenues in the amount of \$180,000 are being requested to match 20 percent of this incentive. Confidential Project No. 07-00235 has applied for \$720,000 in matching QTI funds from the State of Florida for the remaining 80 percent.

In addition, the business is also applying for consideration of Targeted Job Incentive Fund (TJIF) incentive in the amount of \$101,953. This request is being brought to the Board as a separate item for Board consideration. If both the QTI and TJIF incentives are approved, the County will provide a total of \$281,953 in economic development incentives to the business. The County's payout of both QTI and TJIF funds is being extended for a six year period.

Track Record/Monitor

This is an already established business in Miami-Dade County which is seeking to expand current operations of their existing manufacturing marine business.

QTI funds provided for job creation are provided on a matching basis upon the State of Florida invoicing the County for jobs created that the State has verified. In essence, the State monitors the creation of the QTI jobs.

Background

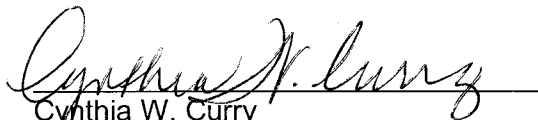
Confidential Project No. 07-00235 is a business involved in the manufacturing of marine industry products. Miami-Dade County is the primary location for its existing headquarters facility; however, it is also looking at North Carolina as another location for its expansion. Below is more detailed background information on the project:

APPLICANT:	Confidential Project No. 07-00235
HEADQUARTERS LOCATION:	Located in Miami Dade County
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	N/A
OTHER LOCATIONS UNDER CONSIDERATION:	North Carolina
DATE OF QTI APPLICATION:	May 21, 2007
OVERALL BUSINESS ACTIVITY/MISSION:	To expand existing manufacturing of marine products facilities.
PROPOSED LOCAL BUSINESS ACTIVITY:	Manufacturer of Marine Products
PROPOSED CAPITAL INVESTMENT:	\$8,900,000
TARGETED INDUSTRY:	Marine Products
PROPOSED LOCATION IN DESIGNATED PRIORITY AREA:	Yes
NEW BUSINESS OR EXPANDING BUSINESS:	Expanding
NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	150
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	Miami-Dade County
INDIVIDUAL ANNUALIZED WAGES FOR NEW JOBS:	\$36,101
ANNUAL EMPLOYEE BENEFIT PACKAGE:	\$9,025
NUMBER OF INDIRECT JOBS TO BE CREATED:	113
NUMBER OF YEARS TO CREATE NEW JOBS:	3
MAXIMUM TAX REFUND PER JOB:	\$6,000
MAXIMUM INCENTIVE AWARD APPLIED FOR:	\$900,000 (both County and State)

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EST. INCREMENTAL COUNTY TAX REVENUE:	\$1,085,389
COUNTY'S MAXIMUM 20% AWARD ON PROJECT:	\$180,000
STATE 80% MAXIMUM CONTRIBUTION:	\$720,000
TYPE OF FUNDS REQUESTED IN APPLICATION:	General Revenue Funds
COMMENTS:	Information for this item was provided by The Beacon Council.

Attachment


Cynthia W. Curry
Senior Advisor to the County Manager

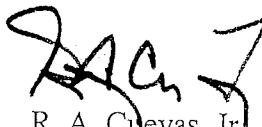


MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: October 2, 2007

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(K)(1)(A)

Please note any items checked.

_____ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

_____ 6 weeks required between first reading and public hearing

_____ 4 weeks notification to municipal officials required prior to public hearing

_____ Decreases revenues or increases expenditures without balancing budget

_____ Budget required

_____ Statement of fiscal impact required

_____ Bid waiver requiring County Manager's written recommendation

_____ Ordinance creating a new board requires detailed County Manager's report for public hearing

_____ Housekeeping item (no policy decision required)

_____ No committee review

Approved _____ Mayor

Agenda Item No. 8(K)(1)(A)

Veto _____

10-02-07

Override _____

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT NO. 07-00235 AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTES S-288.106, CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT #07-00235 EXIST; AND PROVIDING AN APPROPRIATION OF UP TO \$180,000 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2008 THROUGH 2013, INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT #07-00235 APPLICATION WITH THE PROVISIO THAT ANY TAX ABATEMENT GRANTED TO CONFIDENTIAL PROJECT #07-00235 UNDER FLORIDA STATUTE 196.1995 REDUCES ANY QUALIFIED TARGET INDUSTRY TAX REFUND TO CONFIDENTIAL PROJECT #07-00235 BY THE AMOUNT OF ANY SUCH TAX ABATEMENT GRANTED, IN COMPLIANCE WITH FLORIDA STATUTE 288.106(5)9; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, Economic Impact Overview, and application, copies of which are incorporated herein by reference ; and

WHEREAS, said industries include enterprises like Confidential Project #07-00235, that relocate, expand or otherwise increase their operations within the County, and which increase employment by at least ten (10) jobs,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby finds that attracting, retaining and providing favorable conditions for the growth of target industries provide quality employment opportunities for residents of the County and enhance the County's

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economic foundations and recommends that Confidential Project No. 07-00235 be approved as a qualified target industry business pursuant to Florida Statute 288.16, which created the Qualified Target Industry Tax Refund Program.

The necessary commitment of local financial support for Confidential Project #07-00235, as required under Florida Statute 288.106, exists in an amount not to exceed \$180,000 from General Revenue Funds; and that this local financial support will be available in the following increments:

Fiscal Year 2008	\$30,000
Fiscal Year 2009	\$30,000
Fiscal Year 2010	\$30,000
Fiscal Year 2011	\$30,000
Fiscal Year 2012	\$30,000
Fiscal Year 2013	\$30,000
TOTAL	\$180,000

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project #07-00235 application, as long as the \$180,000 total is not exceeded with the provision that any tax abatement granted to Confidential Project No. 07-00235, under Florida Statute 196.1995, reduces any QTI tax refund by the amount of any such abatement granted, in compliance with Florida Statute 288.106(5)(c); and will be paid to the Florida Economic Development Trust Fund with the stipulation that these funds are intended to represent the "local financial support" required by Florida Statute 288.106 for Confidential Project #07-00235 in compliance with the QTI Program, including the requirement that at least ten (10) jobs be created.

The necessary commitment of local financial support shall be contingent on Confidential Project No. 07-00235 maintaining the jobs during the life of the incentive and ensuring that its hiring practices are consistent with and reflect the diversity of the Miami-Dade County community.

The foregoing resolution was offered by Commissioner who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	
Barbara J. Jordan, Vice-Chairwoman	
Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrian D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of October, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Shannon D. Summerset

**Qualified Targeted
Industry Tax Refund
(QTI)
&
Targeted Job Incentive
Fund (TJIF)**

Confidential Project #: 07-00235

**Prepared by the Beacon Council
July 2007**

Executive Summary

Background

Confidential Project #07-00235, a manufacturer in the Marine Industry, is expanding.

The company is currently located in an Enterprise Zone in Miami-Dade and is evaluating an expansion of current operation on their existing property. Other location options include North Carolina.

Confidential Project #07-00235 will retain 419 jobs and create 150 new jobs with an average annualized salary of \$36,101 in Miami-Dade County over a 3 year period. The expansion will consist of 60,000 new square feet and a capital investment of \$8.9 million.

The application of Confidential Project #07-00235 for a QTI/TJIF combination recognizes the retention of existing jobs, the creation of new jobs, as well as the capital being committed by the project. The QTI and TJIF combination provides a positive ROI to the County of 1.1.

The QTI total of \$900,000 is to be funded 80% by the State (\$720,000) and 20% by Miami-Dade County (\$180,000) providing a QTI positive ROI of 1.68. The TJIF total is \$101,953, and when combined with QTI, produces a positive ROI of 1.1.

These are performance-based incentives. No funds will be provided to the Company until they meet all program requirements.

General Funds derived from the incremental tax revenue will be used to fund the county contribution. CDBG Funds will not be used.

The Basic Assumptions

- The latest Miami-Dade County millage tax rates (2006) were used.
- This latest millage rate was used for the entire 6-year period analysis.
- To adjust for the likely reduction in millage rates over the next 6 years, the real property value was assumed to increase by 1.5 percent rather than the more typical 3%.

Conclusions

Based on the projected investment of \$8.9million in new real property, the project's 6-year property tax revenue from this expenditure will be: \$1,085,389

- Miami-Dade County's general fund will receive \$293,754 over the next 6 years.
- Miami-Dade County public schools will receive \$424,021 for the 6-year period.
- The next largest tax revenue will go to special districts, including fire rescue, library and MSA.
- In addition, the project will generate \$17,574 in new local sales taxes during an 6-year period.

INCENTIVE PROPOSAL SUMMARY:
CONFIDENTIAL PROJECT 07-00235

Project Summary	
Project Name	#07-00235
New Jobs	150
Average Salary	\$36,101
New Capital Investment	\$8,979,740
Square Footage	60,000
QTI and TJIF Breakdown	
Total New Property Taxes (General Fund Only)	\$264,379
QTI Miami-Dade County Match (20%)	\$180,000
QTI Portion from Local Sales Taxes	\$17,574
QTI Portion from Local Property Taxes	\$162,426
TJIF Local Incentive Amount	\$101,953
Miami-Dade County QTI + TJIF Amount for Miami-Dade County	\$281,953
Net Revenue Benefit to Miami-Dade	\$29,375
Total ROI	1.1

REAL PROPERTY TAX BENEFITS

Six Year Projection Study

Incentive Summary

CP 07-00235

7/11/2008

Prepared by:



Jaap Donath, Ph.D.

Vice President

Department of Research & Strategic Planning

Six Year Projection Study Summary

PROJECT DETAILS

Project Name:	CP 07-00235	No. of Jobs:	150
Investment Amount:	\$8,979,740	Annual Avg. Salary:	\$36,101
Type of Investment:	Real Property and Equipment	Enterprise Zone:	Yes

To maximize the possibility of retaining this firm, the Beacon Council will forward a Qualified Target Industry (QTI) incentive to the State of Florida and a local Target Job Incentive Fund (TJIF) proposal to Miami-Dade County.

The State of Florida has indicated that the company qualifies for a QTI. This program is funded by the State of Florida (80%) and Miami-Dade County (20%). Based on the project's capital investment, the QTI incentive breakdown is proposed as follows:

Total QTI Tax Refund Proposal:	\$900,000	QTI Local Sales Taxes:	\$17,574
State of Florida Match (80%):	\$720,000	Local Property Taxes:	\$162,426
Miami-Dade County Match (20%):	\$180,000		

The property tax revenue generated from this project's investment will benefit the Miami-Dade County Government, Miami-Dade County Schools, as well as the State of Florida and area special districts.

THE BASIC ASSUMPTIONS

The latest Miami-Dade County mileage tax rates (2006) were used. This latest mileage rate was used for the entire six-year period analysis.

To adjust for the likely reduction in mileage rates over the next six-years, the real property value was assumed to increase by 1.5% rather than the more typical 3%.

CONCLUSIONS

Based on the investment of **\$8,979,740** by the project in new real property and equipment, their six-year investment tax revenue is projected as follows:

Total Project Tax Revenue:	\$1,085,389
Miami-Dade County's General Fund:	\$293,754
Miami-Dade County Public Schools:	\$424,021

The next biggest tax revenue would go to special districts, including fire rescue, library and MSA.

RECOMMENDATION

Based on the project creating **\$281,953** in new property and local sales taxes for Miami-Dade County, The Beacon Council recommends that the following incentives be awarded to the project:

Total QTI Incentive (Local and State):	\$900,000
Total TJIF Incentive:	\$101,953
Total Combined Incentive:	<u>\$1,001,953</u>

QTI-TJIF Combined Incentive Breakdown

CP 07-00235

6-Year Study

Miami-Dade County General Fund:	\$293,754
Total New Property Taxes (County General Fund x 0.9):	\$264,379
QTI Miami-Dade County Match (20%):	\$180,000
QTI Portion from Total Local Sales Taxes:	\$17,574
QTI Portion from Local Property Taxes:	\$162,426
Miami-Dade County QTI 20% Match minus QTI Local Sales Taxes	
Total New Property and Local Sales Taxes:	\$281,953
(Total New Prop. Taxes + QTI Portion from Local Sales Taxes)	
TJIF Local Incentive Amount:	\$101,953
(Total New Property & Local Sales Taxes minus QTI 20% County Match)	
Total Local QTI + TJIF Incentive Amount:	\$281,953
Net Revenue Benefit to Miami-Dade County (General Fund):	\$29,375
Total Return on Investment (ROI):	1.1

Total Incentive:	<u>\$1,001,953</u>
(QTI 20% Local Match)	\$180,000
(QTI 80% State Match)	\$720,000
(TJIF 100% Local Match)	\$101,953

SIX YEAR PROJECTION
2006 - 2011
CP 07-00235

Year	Realty + Equipment \$8,979,740	Total 0.0207468	County General 0.005615	County Debt 0.000285	School 0.008105	State 0.0007355	Other Districts 0.0060063	City 0.0000
2006	\$8,979,740.00	\$186,300.87	\$50,421.24	\$2,559.23	\$72,780.79	\$6,604.60	\$53,935.01	\$0.00
2007	\$8,844,521.90	\$183,495.53	\$49,661.99	\$2,520.69	\$71,684.85	\$6,505.15	\$53,122.85	\$0.00
2008	\$8,734,266.95	\$181,208.09	\$49,042.91	\$2,489.27	\$70,791.23	\$6,424.05	\$52,460.63	\$0.00
2009	\$8,646,650.45	\$179,390.33	\$48,550.94	\$2,464.30	\$70,081.10	\$6,359.61	\$51,934.38	\$0.00
2010	\$8,579,582.76	\$177,998.89	\$48,174.36	\$2,445.18	\$69,637.52	\$6,310.28	\$51,531.55	\$0.00
2011	\$8,531,185.79	\$176,994.81	\$47,902.61	\$2,431.39	\$69,145.26	\$6,274.69	\$51,240.86	\$0.00
Total 6 Year Tax Revenue								
		\$1,085,388.51	\$293,754.05	\$14,910.05	\$424,020.76	\$38,478.38	\$314,225.28	\$0.00

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Tax Revenue by Government Entity
2006 - 2011
CP 07-00235

Year	Investment/Depreciation \$2,347,080 0.9	Total 0.0207468	County General 0.005615	County Debt 0.000285	School 0.008105	State 0.0007355	Other Districts 0.0060063	City 0.0000
2006	\$2,347,080.00	\$48,694.40	\$13,178.85	\$668.92	\$19,023.08	\$1,726.28	\$14,097.27	\$0.00
2007	\$2,112,372.00	\$43,824.96	\$11,860.97	\$602.03	\$17,120.78	\$1,553.65	\$12,687.54	\$0.00
2008	\$1,901,134.80	\$39,442.46	\$10,674.87	\$541.82	\$15,408.70	\$1,398.28	\$11,418.79	\$0.00
2009	\$1,711,021.32	\$35,498.22	\$9,607.38	\$487.64	\$13,867.83	\$1,258.46	\$10,276.91	\$0.00
2010	\$1,539,919.19	\$31,948.40	\$8,646.65	\$438.88	\$12,481.05	\$1,132.61	\$9,249.22	\$0.00
2011	\$1,385,927.27	\$28,753.56	\$7,781.98	\$394.99	\$11,232.94	\$1,019.35	\$8,324.29	\$0.00
Total 6 Year Tax Revenue								
		\$228,161.99	\$61,750.71	\$3,134.27	\$89,134.37	\$8,088.63	\$66,054.01	\$0.00

Tax Revenue by Government Entity
2006 - 2011
CP 07-00235

Year	Value of Real Property \$6,632,660 1.015	Total 0.0207468	County General 0.005615	County Debt 0.000285	School 0.008105	State 0.0007355	Other Districts 0.0060063
2006	\$6,632,660.00	\$137,606.47	\$37,242.39	\$1,890.31	\$53,757.71	\$4,878.32	\$39,837.75
2007	\$6,732,149.90	\$139,670.57	\$37,801.02	\$1,918.66	\$54,564.07	\$4,951.50	\$40,435.31
2008	\$6,833,132.15	\$141,765.63	\$38,368.04	\$1,947.44	\$55,382.54	\$5,025.77	\$41,041.84
2009	\$6,935,629.13	\$143,892.11	\$38,943.56	\$1,976.65	\$56,213.27	\$5,101.16	\$41,657.47
2010	\$7,039,663.57	\$146,050.49	\$39,527.71	\$2,006.30	\$57,056.47	\$5,177.67	\$42,282.33
2011	\$7,145,258.52	\$148,241.25	\$40,120.63	\$2,036.40	\$57,912.32	\$5,255.34	\$42,916.57
Total 6 Year Tax Revenue							
		\$857,226.52	\$232,003.34	\$11,775.77	\$334,886.39	\$30,389.75	\$248,171.27

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City
0,0000

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

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INCENTIVE PROPOSAL CHECKLIST

CP 07-00235

1. Enterprise Zone:	Yes
2. Number of New Jobs Projected:	150
3. Average Salary per Job:	\$36,101
4. New Capital Investment:	\$8,979,740
5. New Square Footage:	60,000
6. Per Job Incentive:	\$6,000

QUALIFIED TARGET INDUSTRY TAX REFUND (QTI) BASED UPON THE CREATION OF

150 New Jobs Over 3 Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	\$720,000
2. Miami-Dade County Match (20%)	\$180,000
Total QTI Tax Refund Proposal	\$900,000

RETURN ON INCENTIVE INVESTMENT (ROI)

1. Miami-Dade County Incremental Tax Revenue*	\$302,779
2. Total Miami-Dade County (20%) QTI Match	\$180,000
3. Miami-Dade County Net Revenue Benefit	\$122,779
Total ROI Gain/Loss/Breakeven	1.68

* See Economic Impact Model

SUMMARY OF ECONOMIC IMPACT

CP 07-00235

Totals represent what Miami-Dade County would potentially gain over a projected six year period if the business expands in Miami- Dade County.

Employment

Direct Employment	150
Indirect Employment	113
Total Employment Gain	263

Income from Wages

Direct Employment	\$26,299,217
Indirect Employment	\$9,862,207
Total Income Gain	\$36,161,424

Revenue to Miami-Dade County

Total Property Taxes	\$285,205
Total Local Sales Taxes	\$17,574
Total Tax Revenue Gain	\$302,779
Total Miami-Dade County (20%) QTI Match	\$180,000
Miami-Dade County Net Revenue Benefit	\$122,779

THE BEACON COUNCIL ECONOMIC IMPACT MODEL

CP 07-00235

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
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EMPLOYMENT

Total Direct Jobs	25	65	150	150	150	150
Indirect Employment	19	49	113	113	113	113

<u>TOTAL EMPLOYMENT</u>	44	114	263	263	263	263
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INCOME (\$1,000)

WAGES & SALARY

Total Direct Wages	\$902.5	\$2,417.0	\$5,744.9	\$5,744.9	\$5,744.9	\$5,744.9	\$26,299.2
Total Indirect Wages	\$338.4	\$906.4	\$2,154.3	\$2,154.3	\$2,154.3	\$2,154.3	\$9,862.2

TOTAL WAGES & SALARIES	\$1,241.0	\$3,323.3	\$7,899.3	\$7,899.3	\$7,899.3	\$7,899.3	\$36,161.4
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<u>TOTAL INCOME</u>	\$1,241.0	\$3,323.3	\$7,899.3	\$7,899.3	\$7,899.3	\$7,899.3	\$36,161.4
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INCREMENTAL PROPERTY TAXES (\$1,000)

Building & Equipment Taxes

TOTAL PROPERTY TAXES	\$186.3	\$181.4	\$177.0	\$173.1	\$169.6	\$166.4	\$1,053.8
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MIAMI-DADE PROPERTY TAXES	\$50.4	\$49.1	\$47.9	\$46.8	\$45.9	\$45.0	\$285.2
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SALES TAXES (\$1,000)

Available Income	\$1,241.0	\$3,323.3	\$7,899.3	\$7,899.3	\$7,899.3	\$7,899.3	\$36,161.4
Less Federal Income Tax	\$992.8	\$2,658.7	\$6,319.4	\$6,319.4	\$6,319.4	\$6,319.4	\$28,929.1
Less Hous, Ins, Prop Tax	\$744.6	\$1,994.0	\$4,739.6	\$4,739.6	\$4,739.6	\$4,739.6	\$21,696.9
Less Savings, Life Insur.	\$670.1	\$1,794.6	\$4,265.6	\$4,265.6	\$4,265.6	\$4,265.6	\$19,527.2
Less Food, Drugs, Other Non-Tax	\$502.6	\$1,345.9	\$3,199.2	\$3,199.2	\$3,199.2	\$3,199.2	\$14,645.4

Avail. Income For Sales Tax	\$502.6	\$1,345.9	\$3,199.2	\$3,199.2	\$3,199.2	\$3,199.2	\$14,645.4
State Sales Tax Realized	\$30.2	\$80.8	\$192.0	\$192.0	\$192.0	\$192.0	\$878.7
Local Sales Tax Realized	\$0.6	\$1.6	\$3.8	\$3.8	\$3.8	\$3.8	\$17.6

TOTAL <u>SALES TAXES (\$1,000)</u>	\$30.8	\$82.4	\$195.8	\$195.8	\$195.8	\$195.8	\$896.3
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<u>TOTAL MIAMI-DADE PROPERTY & SALES TAXES (\$1,000)</u>	\$51.0	\$50.7	\$51.8	\$50.7	\$49.7	\$48.9	\$302.8
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<u>TOTAL PROPERTY & SALES TAXES (\$1,000)</u>	\$217.1	\$263.8	\$372.8	\$368.9	\$365.3	\$362.2	\$1,950.1
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THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

CP 07-00235

Employment Assumptions

New Direct Permanent Jobs

Year 1	25
Year 2	65
Year 3	150
Year 4	150
Year 5	150
Year 6	150

Incremental Multiplier 0.75
 * For every 100 direct jobs, 75 indirect jobs will be created. Total multiplier effect is 1.750

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	\$36,101
Indirect Job Salary	\$18,051

Capital Investment

Total Cap. Inv.

Y1 Value	\$8,979,740
Y2 Value	\$8,745,032
Y3 Value	\$8,533,795
Y4 Value	\$8,343,681
Y5 Value	\$8,172,579
Y6 Value	\$8,018,587

Inflation 103%

Property/Real Estate Taxes

Mill Rate, Less Dade's Revenue	0.01513
Miami-Dade's Revenue Mill Rate	0.00562
Miami-Dade's Total Mill Rate	0.02075

Assessment Value of Real Property 90%

	Realty Prop.	Equip.
Y1	\$6,632,660	\$2,347,080
Y2	\$6,632,660	\$2,112,372
Y3	\$6,632,660	\$1,901,135
Y4	\$6,632,660	\$1,711,021
Y5	\$6,632,660	\$1,539,919
Y6	\$6,632,660	\$1,385,927

Sales Tax Rates

Calculation: Income Available For Sales Tax

Income Devoted to:	
Federal Income Tax Liability, 20%	0.80
Housing, Insurance, Real Estate Taxes, 25%	0.75
Savings, Life Insurance, 10%	0.90
Food, Drugs, Other Non-Tax Items, 25 %	0.75

Sales Tax Rates

Florida Sales Tax	6.00%
Miami-Dade County Sales Tax	0.12%
Total Sales Tax	6.12%

GENERAL PROJECT OVERVIEW

Name of Business

CP# 07-00235
Project Title or Code Name (1-5 word description)

FOR EFI USE ONLY

Date Received

Date Revised

Date Completed

EFI Project Number

Contact Enterprise Florida to discuss your project and application before submitting a formal proposal. The completed and signed application must be filed with:



Enterprise Florida

The Atrium Building, Suite 201 • 325 John Knox Road
Tallahassee, Florida 32303
850/298-6620 • Fax: 850/298-6659
<http://www.eflorida.com/>

GENERAL PROJECT OVERVIEW

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

1. BUSINESS INFORMATION

A. Name of Business Unit: _____

B. Mailing Address: _____

Street Address

City

State

Zip Code

C. Name of Parent
Company: _____

D. Primary Business Unit Contact: _____

Title: _____

Mailing Address: _____

Street Address

City

State

Zip Code

Telephone: _____

Fax: _____

Email: _____

Website: _____

E. Business Unit's Federal Employer Identification Number: _____

F. Business Unit's Unemployment Compensation Number: _____

G. Business Unit's Florida Sales Tax Registration Number: _____

H. Is the business unit minority owned?

Yes

☐

No

X

If yes, explain: _____

I. What is the business unit's tax year (ex: Jan 1 to Dec 31): Sept 1 to Aug 31

2. PROJECT OVERVIEW

A. Which of the following best describes this business unit¹:

☐

New business unit to Florida

☒

Existing Florida business creating and / or retaining jobs^{2,3}

419

If an expansion, how many jobs are currently in the expanding
business unit?

B. How many individuals are employed at all Florida locations? 419

C. Are any jobs being transferred from other Florida locations⁴?

Yes

☐

No

X

If yes, how many jobs and from where? _____

Why are these jobs moving and why is it justified in light of the statutory language governing the applicable incentive program(s)?

¹ Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

² A QTI Tax Refund award cannot be granted for existing Florida jobs.

³ Incentives may not be used in connection with a project that involves the relocation of jobs from one Florida community to another except in certain circumstances as described in statute.

⁴ Incentives may not be used in connection with a project that involves the relocation of jobs from one Florida community to another except in certain circumstances as described in statute.

GENERAL PROJECT OVERVIEW

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- D. Give a full description of this project, including the primary business activities / functions:

Retention and growth of employee base. Expand our capabilities as we build larger and a higher volume.

- E. What is the project's Targeted Industry(ies)⁵: Manufacturing

- F. Break down the project's primary function(s) and the corresponding wages:

Business Unit Activities	NAICS Code	Project Function (total = 100%)	Annualized Wage (\$)
	336612	86.2%	\$32237
Headquarters & Management	55	13.8%	\$77589
		%	\$

- G. What is the project's proposed location address:

Street Address

Miami

FL

City

State

Zip Code

What is the project's current location address (if different):

Same

Street Address

City

State

Zip Code

- H. Is the project location within a current or proposed Brownfield site / area?

Yes ☐

No ☒

If yes, attach a copy of the official document designating the Brownfield area.

Is the project location in an Enterprise Zone?

Yes ☒

No ☐

If yes, which zone?

North Central

Is the project location in a designated Rural area?

Yes ☐

No ☒

If yes, which Rural area?

- I. Which of the following describes the applicant's operations (select all that apply):

☐

Multi-state business enterprise

☒

Multinational business enterprise

☐

Florida business enterprise (eligible for Brownfield Redevelopment Bonus Incentive only)

- J. Which of the following describes this business unit (select all that apply):

☐

Regional headquarters office

☐

National headquarters office

☒

International headquarters office

☐

This is not a dedicated headquarters office

- K. What is the estimated percentage of gross receipts or final sales resulting from this project that will be made outside of Florida (if sales is not a reasonable measure, use another basis for measure and provide explanation below):

60%

Explain, if necessary: US sales outside Florida and International

3. JOB AND WAGE OVERVIEW

- A. How many jobs⁶ are expected to be created as part of this project?

150

⁵ Refer to the QTI Target Industry list.

⁶ A "full time equivalent job" means at least 35 hours of paid work per week.

GENERAL PROJECT OVERVIEW

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- B. If an existing business unit, how many jobs are expected to be retained as part of this project?** (jobs in jeopardy of leaving Florida should only be included here; these jobs are not eligible for QTI) 419
- C. What is the anticipated annualized average wage (excluding benefits) of the new to Florida jobs created as part of this project?** (Cash payments to the employees such as performance bonuses and overtime should be included. The wage reported here is only an estimate of the average wage to be paid and will not be used in the certification, agreement, and claim evaluation process.) \$36,101
- D. What is the annualized average value of benefits associated with each new job created as part of this project?** \$9,025
- E. What benefits are included in this value?**
Health, vacation, sick leave, life insurance, social security, medicare, 401K

4. CAPITAL INVESTMENT OVERVIEW

- A. Describe the capital investment in real and personal property** (Examples: construction of new facility; remodeling of facility; upgrading, replacing, or buying new equipment. Do not include the value of land purchased for construction of a new building):
 New construction of facilities (additional 60,000 square feet), remodeling and upgrading of current facilities (approximately 400,000 square feet), and new equipment to support production and R&D requirements. We have 6 new models planned to be launch over the next 3 years, our current facilities will not accommodate ours plans
- B. Will this facility be:**
- ☐ Leased space with renovations or build out
 - ☐ Land purchase and construction of a new building
 - ☐ Purchase of existing building(s) with renovations
 - ☒ Addition to existing building(s) (already owned)
 - ☒ Other (please describe in 4A above)
- C. List the anticipated amount and type of major capital investment to be made by the applicant in connection with this project**
- | | Year 1 | Year 2 | Year 3 |
|--|--------------------|--------------------|--------------------|
| Land | \$ | \$ | \$ |
| Construction / Renovations | \$2,205,000 | \$1,257,740 | \$3,169,920 |
| Manufacturing Equipment | \$513,000 | \$641,700 | \$804,672 |
| R&D Equipment | \$57,000 | \$71,300 | \$89,408 |
| Other Equipment (computer equipment, office furniture, etc.) | \$170,000 | \$ | \$ |
| Total Capital Investment | \$2,945,000 | \$1,970,740 | \$4,064,000 |
- D. What is the estimated square footage of the new or expanded facility?** 60,000
- E. When is the final location decision anticipated (date)?** September 2007
- F. What is the anticipated date construction will begin?** December 2007

GENERAL PROJECT OVERVIEW

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G. What is the anticipated date operations will commence? Ongoing

5. COMPETITIVE LANDSCAPE

A. What role will the incentive(s) play in the business unit's decision to locate, expand, or remain in Florida?

The incentive award is a key factor in our decision whether to stay and expand at our current location in Miami Florida, or relocate to another facility in North Carolina. NC is willing to significantly support our efforts if necessary. Our current growth plans call for an additional 150 jobs to be created over the next 3 years along with an investment in our facilities in excess of 8.5 million dollars. During the next 3 years we have 6 new production models to launch with a price range of 1.6 to 5.1 million dollars. Our long term goal is to launch 2 new models every year, putting us at the top of our industry in new model development.

B. What other cities, states, or countries are being considered for this project?
North Carolina

C. What advantages or incentives offered by these locations do you consider important in your decision?

Tax relief, relocation/expansion assistance, and the current labor pool that is available in the area.

D. Indicate any additional internal or external competitive issues impacting this project's location decision?

Location for distribution, experienced workforce availability, and communications.

6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY

A. Provide a brief synopsis of the special impacts the project is expected to stimulate in the community, the state, and the regional economy. Include the impact on indicators such as unemployment rate, poverty rate, and per capita income. There will be a large investment into the local economy, retention of approximately 420 employees, addition of approximately 150 jobs, plus maintain and grow the strong marine industry in the Miami area.

B. Provide a summary of past activities in Florida and in other states particularly as they relate to environmental or growth management impacts. For example, what kind of corporate citizen has the applicant been? Also list awards or commendations.

Water and energy conservation:

In collaboration with Miami Dade Water & Sewer Department and FPL our Safety and Environmental department is currently conducting water and energy conservation classes with our employees.

Hazardous Emissions:

As part of our equipment investments/upgrades, we will be purchasing two new Fit Gelcoat Systems and their required accessories. These units significantly reduce VOC's and HAP's along with reducing hazardous materials in order to maintain the equipment.

In the last 3 months we have reduced our usage by 28% as a result of our internal process changes and training of employees expressing the adverse effects of on the environment.

GENERAL PROJECT OVERVIEW

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Manufacturing Processes

We were awarded

recognition of our process improvements throughout the entire manufacturing system.

- C. List and explain any criminal or civil fines or penalties or ongoing investigations that have been imposed upon the company, its executives, or its affiliates and any recent bankruptcy proceedings of the applicant or its parent company.

None

- D. Provide any additional information you wish to be considered as part of this incentive application or items that may provide supplementary background information on your project or company.

We are one of the manufacturers in the state of Florida and Miami-Dade county. We have a strong history in the community and an exceptional reputation for a quality product throughout the world.

7. CONFIDENTIALITY

- A. You may request that your project information (including information contained in this application) be confidential per F.S. 288.075, Confidentiality of Records for a 12 month period, with an additional 12 month extension available upon request for projects still under consideration.

Please indicate your confidentiality preference: (Does not apply to SDST sales tax exemption applicants)

☒ Yes
☐ No

Be sure to attach the proper incentive attachment sheet(s)

GENERAL PROJECT OVERVIEW

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8. SIGNATURES

Application Completed By:

To the best of my knowledge, the
information included in this
application is accurate.

Signature

Signature (Authorized Company)
REQUIRED

Name

Name

Title

Title

Company

Company

Address, if different than mailing address

Address, if different than mailing address

Phone Number

Phone Number

Fax Number

Fax Number

Email Address

Email Address

Date

Date

Name of contact person, if different than above

Phone Number

Address

Email Address

29

Qualified Target Industry Tax Refund Attachment to the General Project Overview

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

CP 07-00235

Name of Business

Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

IMPORTANT NOTE: This application must be filed and the incentive approved **prior** to making the decision to expand an existing Florida business unit or to locate a new business unit in Florida.

Be sure to submit the General Project Overview and Local Support Resolution¹ following passage by the City / County

1. PROJECT EMPLOYMENT AND WAGE COMMITMENTS

A. What is the total number of net new full-time equivalent Florida jobs created by the project at the business unit²?

150

B. Provide the job creation schedule to which you commit: (Please limit the phases to a maximum of three consecutive years and job creation to no less than ten jobs in the first year).

Phase	Number of net new full-time equivalent Florida jobs created in the business unit	Date by which jobs will be created
I	25	12/31/2008
II	40	12/31/2009
III	85	12/31/2010
Total	150	

C. For the purposes of certification, agreement, and claim review, indicate the average wage and corresponding threshold (percentage) to which you commit:

Check the relevant box (only one) and fill in the first field (wage commitment) and second field (county, state, or MSA used).

- ☒ \$36,101, which is at least 100% of the average wage in Florida.
- ☐ \$_____, which is at least 115% of the average wage in _____.
- ☐ \$_____, which is at least 150% of the average wage in _____.
- ☐ \$_____, which is at least 200% of the average wage in _____.

2. LOCAL FINANCIAL SUPPORT

A. Identify the local government(s) anticipated to provide local financial support³:
Miami-Dade County

B. Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:

October 3, 2007 Miami-Dade County Commission

¹ Submit the resolution adopted by the local governing body recommending the applicant be approved as a QTI Business unit and indicating the amount of local financial support that has been committed. Resolution should clearly indicate waivers requested and justification for such waivers.

² Must be a minimum of 10 new jobs and a 10 percent increase in current business unit employment (if an existing Florida business).

³ The total QTI award may not exceed five times the local financial support provided by the community. If the community has requested a local financial support waiver or the support is provided in the form of ad valorem tax abatement, the QTI award will be reduced by this amount.

Qualified Target Industry Tax Refund Attachment to the General Project Overview

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar

3. SIGNATURES

Signature of Individual Completing this Attachment
(if different from General Project Overview)

Date

Address (if different)

Phone Number (if different)

Signature (Authorized Company Officer) REQUIRED

Date

Name and Title of Authorized Officer

4. KEY QTI PROGRAM INFORMATION

- The tax refund claim form will be due by January 31st each year for the number of jobs on December 31st of the previous calendar year. Tax refunds paid per state fiscal year (July 1 – June 30) may not exceed 25 percent of the total tax refund award associated with the phase(s) scheduled.
- The total award will be equal to \$3,000 (\$6,000 in Enterprise Zones or Rural Counties) times the number of jobs reported in item 1A, plus \$1,000 per job if the average annual wage is at least 150% of the area's average, or \$2,000 per job if the average annual wage is at least 200%. However, the QTI award may not exceed five times the local financial support paid by the community.
- If in any year the applicant does not achieve the job creation schedule outlined in item 1C, but achieves at least 80% of the required net new jobs, the company will receive a pro-rated refund less a 5% penalty of the scheduled award amount for that year. **If job creation falls below 80% of the required jobs, the company will not receive a refund and will be terminated from the program.**
- For an expanding Florida business unit:
 - Existing number of full-time equivalent jobs must be maintained for the duration of the QTI agreement.
 - The average wage commitment should include wages paid across the expanding business or reporting unit for all new and existing jobs, as shown on the unit's UCT-6 form. If the project involves activities not representative of the expanding business or reporting unit and are anticipated to be substantially different from the historical range and distribution of jobs and wages paid (higher or lower) in the existing unit, that issue should be disclosed and discussed with Enterprise Florida at the time of application to determine if separate record keeping must be established.
- A qualified target industry business that fraudulently claims a refund under 288.106(2), *Florida Statutes*
 - Is liable for repayment of the refund to the account, plus a mandatory penalty in the amount of 200 percent of the tax refund which shall be deposited into the General Revenue Fund.
 - Is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- Qualified Target Industry Tax Refund: Section 288.106, Florida Statutes